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FOR IMMEDIATE RELEASE  
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***GOVERNOR ANNOUNCES STATE AGENCY HIRING FREEZE***  
***Move Will Reduce Spending; Excludes Workers in Vital Services***

PHOENIX – Governor Janet Napolitano has announced a hiring freeze across executive agencies in state government, a move that will reduce state spending amid an economic slowdown and help balance an estimated budget shortfall of \$1.15 billion.

“Tightening our belt is a critical part of how we will manage through our current budget deficit,” Governor Napolitano said. “When revenues decline, it’s common sense to target areas where you can spend less.

“We’ll manage our way through this budget deficit, just as we’ve managed our way through past deficits. State agencies have been working hard since the fall to find places to save – and this has already resulted in significant savings. At this point, freezing new hiring is a prudent way to help balance the budget while protecting education, health and public safety,” Governor Napolitano said.

Governor Napolitano has been managing the expected fiscal year 2008 budget deficit since September, when she asked state agency directors to find places to save money in hiring, travel and other areas of spending. In January, the Governor introduced a three-part plan – composed of agency savings, bonding for school construction, and using part of the state’s rainy day savings account – to balance the budget and protect education, health and safety, without raising taxes. Amid new forecasts of a larger state budget deficit, Governor Napolitano updated this plan last week.

The Governor’s September directive to agencies has resulted in savings from the fiscal year 2008 budget passed into law. The budget authorized agencies to hire 513 new employees – but as agency directors left positions vacant or voluntarily declined to fill new positions, the state was able to save money and actually shrink the size of its workforce by 88 positions, excluding employees in health, safety, and collections. While in a normal year the state payroll grows by seven to 10 percent, because of the September directive, the payroll has not grown this year – while the state continues to hire employees in health, safety, and revenue collection.

The freeze will apply immediately to all positions except those that are vital to, and directly involved in, providing for the health and safety of the public or the collection or investment of state revenues. Department of Administration Director Bill Bell will lead the implementation of the freeze and develop guidelines to fill mission-critical positions beyond the stated exceptions. While this freeze applies only to agencies that report to the Governor, Governor Napolitano is asking all independent state agencies, boards and commissions receiving General Fund monies to give strong consideration to a similar hiring freeze.

Please find attached a letter from Governor Napolitano to the Cabinet concerning the hiring freeze.

For more information about the Office of the Governor, please visit [www.azgovernor.gov](http://www.azgovernor.gov).